

# COMMITTEE ACTION SHEET

8400  
6/25

COUNCIL DOCKET OF \_\_\_\_\_

☐ Supplemental ☒ Adoption ☐ Consent ☐ Unanimous Consent Rules Committee Consultant Review

R -

O -

End of Fiscal Year 2007 Budget Adjustments

☒ Reviewed ☐ Initiated By Budget On 6/06/07 Item No. 1

## RECOMMENDATION TO:

Forward without recommendation to the full Council the Mayor's requested actions regarding Fiscal Year 2007 Year-End Budget Adjustments to allow time for analysis by the Independent Budget Analyst and further discussion by Councilmembers.

VOTED YEA: Atkins, Faulconer, Peters, Frye, Madaffer

VOTED NAY:

NOT PRESENT:

CITY CLERK: Please reference the following reports on the City Council Docket:

REPORT TO THE CITY COUNCIL NO. 07-105

COUNCIL COMMITTEE CONSULTANT ANALYSIS NO.

OTHER:

COUNCIL COMMITTEE CONSULTANT

Dale Kelly Paulhead

City of San Diego  
**MEMORANDUM**

DATE: June 20, 2007  
TO: CITY ATTORNEY -  
FROM: Office of the City Clerk - Debbie Levenson-Cruz  
SUBJECT: *Item 150 of the June 18, 2007 City Council Meeting*

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ITEM-150: Fiscal Year 2007 Year-End Budget Adjustments.

(See Report to the City Council No. 07-105.)

**TODAY'S ACTION IS:**

Introduce the following ordinance:

(O-2007-159 Cor. Copy) INTRODUCED AS AMENDED; TO BE  
ADOPTED ON TUESDAY, JUNE 25, 2007

Introduction of an Ordinance amending Ordinance No. O-19522 (New Series) entitled "An Ordinance Adopting the Annual Budget for the Fiscal Year 2006-2007 and Appropriating the Necessary Money to Operate the City of San Diego for Said Fiscal Year," to make Fiscal Year 2007 year-end budget adjustments and to authorize the City Auditor and Comptroller to make such other transfers as necessary to balance each department and fund.

**BUDGET AND FINANCE COMMITTEE'S RECOMMENDATION:**

On 6/6/2007, Budget voted 5 to 0 to forward without recommendation to the full City Council the Mayor's requested actions regarding Fiscal Year 2007 Year-End Budget Adjustments to allow time for analysis by the Independent Budget Analyst and further discussion by Councilmembers. (Councilmembers Peters, Faulconer, Atkins, Frye, and Madaffer voted yea.)

City Attorney  
Item 150 of the June 18, 2007 Council Meeting  
Page 2 of 4

**SUPPORTING INFORMATION:**

This report discusses the fiscal status of City departments requiring budget adjustments and requests the City Council to authorize the City Auditor and Comptroller to balance each department and fund as necessary. The report summarizes the projected year-end revenues and expenditures for the General Fund, projects the status of General Fund reserves and

discusses the requested budget adjustments in each affected department. In addition, the report seeks authorization to carryover certain fiscal year 2007 budget.

**FISCAL CONSIDERATIONS:**

- General Fund expenditure appropriations will increase by approximately \$4.9 million, the revised revenue budget will increase by approximately \$1.7 million and the balance of \$3.2 million will be funded from the General Fund unallocated reserve.
- Mission Bay Improvement Fund and Regional Park Improvement Fund revenue and expenditure appropriations will increase by approximately \$850,000 each.
- Central Stores Internal Service Fund revenue and expenditure appropriations will increase by approximately \$600,000.
- Equipment Operating Fund expenditure appropriations will increase by approximately \$1.9 million to be funded by a transfer from the Equipment Replacement Fund.
- QUALCOMM Stadium expenditure appropriations will increase by approximately \$150,000, the revenue budget will increase by \$112,000 and the balance of \$38,000 will be funded from the QUALCOMM Stadium Fund balance.
- The General Fund will carryover approximately \$687,000 to the Infrastructure Improvement Fund, \$1,035,000 to the allocated reserve for Park and Recreation projects, and \$70,000 to the Capital Improvements Program.

**PREVIOUS COUNCIL and/or COMMITTEE ACTION:**

This report will be presented to the Budget and Finance Committee on June 6, 2007.

**COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:** None.

**KEY STAKEHOLDERS AND PROJECTED IMPACTS:** None.

Lewis/Goldstone

Aud. Cert. 2700810.

City Attorney  
Item 150 of the June 18, 2007 Council Meeting  
Page 3 of 4

**COUNCIL ACTION WAS:**

Motion by Faulconer to Introduce the Ordinance as Amended. The \$250,000 would not be allocated to Park and Recreation but would be placed in the General Fund Reserves.

In addition, another \$250,000 would be allocated from the Mission Bay Regional Parks Funds to the Sunset Cliffs Natural Park for purposes of erosion and drainage and a future CIP.

**COUNCIL VOTE WAS:**

1234568-yea; 7-not present

Please prepare the Ordinance to reflect Council's Action using the appropriate language, and return to the City Clerk's Office for further processing.

ELIZABETH S. MALAND  
City Clerk

By: Debbie Levenson-Cruz, Deputy



BUDGET JUN 06 2007 #1

THE CITY OF SAN DIEGO  
**REPORT TO THE CITY COUNCIL**

DATE ISSUED: June 1, 2007

REPORT NO: 07-105

ATTENTION: Budget and Finance Committee  
Agenda of June 6, 2007

SUBJECT: Fiscal Year 2007 Year-End Budget Adjustments

REFERENCE: Fiscal Year 2007 Mid-Year Reports, 07-031, 07-041, and 07-042

REQUESTED ACTION:

1. Accept the Fiscal Year 2007 Year-End Budget Adjustments Report.
2. Authorize the City Auditor and Comptroller to complete the financial transactions listed in this report.
  - a. Amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to increase General Fund appropriations approximately \$4.9 million, as discussed in this report, from the following sources: \$1.7 million from additional Mission Bay lease revenues and \$3.2 million from the General Fund unallocated reserve.
  - b. Amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to transfer appropriations and related expenditures for administration fees paid to the County of San Diego for the collection and distribution of property tax from the City Auditor and Comptroller's Office to the Citywide Programs Department.
  - c. Authorize the City Auditor and Comptroller to transfer appropriations between General Fund departments as necessary where the net transfer does not result in an increase to either department's current budget.
  - d. Amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to transfer appropriations for costs avoided in one budget unit by an agreement to incur them in another budget unit.
  - e. Amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to increase the Mission Bay Park Improvement Fund and the Regional Park Improvement Fund appropriations in an amount not to exceed \$850,000 each from a transfer from the General Fund.
  - f. Amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to appropriate \$600,000 in additional Central Stores' revenue and to increase Central Stores Internal Service Fund appropriations by \$600,000.
  - g. Amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to increase the appropriations of the Equipment

- Operating Fund by \$1.9 million to be funded by a transfer from the Equipment Replacement Fund.
- h. Amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to increase expenditure appropriations for QUALCOMM Stadium Fund by \$150,000 from the following sources: \$112,000 from Stadium event revenue and \$38,000 from the QUALCOMM Stadium Fund balance.
  - i. Amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to increase appropriations of contributing funds from appropriate available sources for any additional, unforeseen needs and to make any additional appropriation adjustments and fund transfers that may be necessary to reconcile revenues to expenditures, not to exceed two percent of each department's adopted budget or \$2.0 million, whichever is greater, above and beyond the aforementioned increases.
  - j. Authorize the City Auditor and Comptroller to carryover Council Districts 1 through 8 available budget of approximately \$687,000 to the respective Infrastructure Improvement Fund.
  - k. Amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to increase appropriations of, and transfer funds related to, the Infrastructure Improvement Fund and to establish capital improvement projects, in an amount not to exceed \$100,000 for purposes identified by the individual Council Districts.
  - l. Authorize the City Auditor and Comptroller to carryover Park and Recreation Department available budget in an amount not to exceed \$1,035,000 to the Allocated Reserve to fund projects identified in this report that will not be completed in the current fiscal year.
  - m. Authorize the City Auditor and Comptroller to add project 21-872.0, Palisades Building ADA Ramp, to the Fiscal Year 2007 Capital Improvements Program (CIP), transfer \$70,000 from fund 100 (Park and Recreation Department) to fund 630221 (General Fund contributions to the CIP), increase the Fiscal Year 2007 CIP budget by \$70,000 in project 21-872.0 and fund 630221, and appropriate and expend the \$70,000 from project 21-872.0.

STAFF RECOMMENDATION:

- 1. The City Council should accept the Fiscal Year 2007 Year-End Budget Adjustment Report.
- 2. The City Council should authorize the City Auditor and Comptroller to complete the financial transactions listed in this report.

SUMMARY:

**BACKGROUND**

The purpose of this report, commonly referred to as the "Fourth Quarter Adjustment," is to report on the fiscal status of City departments requiring budget adjustments and to request the City Council to authorize the City Auditor and Comptroller to balance each department and fund

as necessary. In addition, this report seeks authorization to carryover certain fiscal year 2007 budget appropriations into fiscal year 2008 for specific projects in the Park and Recreation Department that could not be completed during fiscal year 2007.

This report first summarizes the projected year-end revenues and expenditures for the General Fund, projects the status of General Fund reserves and discusses the requested budget adjustments in each affected department. In addition, the report lists the requested carryovers of fiscal year 2007 appropriations. Attached to the report are the schedules that summarize General Fund revenue projections (by revenue category), General Fund expenditure projections (by department), and revenue and expenditure projections for other funds.

Projections for year-end expenditures and revenues were compiled from departmental monitoring submissions and evaluated for reasonableness and as necessary modified by the Department of Finance. Revenue projections developed by the Department of Finance for tracking actual receipts were reconciled with departmental monitoring submissions in order to validate these projections and to explain projections.

## GENERAL FUND PROJECTIONS

### Revenue

General Fund projected revenues are estimated to be \$1.049 billion at year end. This amount, when compared to the \$1.040 billion revised revenue budget, results in a \$9.0 million favorable variance.

- Property Tax revenue is projected at \$363.6 million which is \$19.5 million over the adopted fiscal year 2007 budget for property tax. Mid-year reporting had projected property tax revenue at \$18.9 million over budget by year-end. Of this amount, \$10.5 million was appropriated as part of the mid-year adjustments.
- General Fund Sales Tax revenue is projected at \$228.0 million (\$6.9 million under budget) as a result of weaker than expected performance of the local retail industry.
- General Fund Transit Occupancy Tax (TOT) is projected at \$78.9 million (\$6.0 million over budget) due to the continued growth in the San Diego visitors market. (The City's total TOT revenue for fiscal year 2007 is projected to be \$150.5 million.)
- Property Transfer Taxes are projected at \$8.4 million (\$6.4 million under budget) primarily due to a slowdown in the number of home sales.
- Parking Citation revenue is projected to be under budget by \$750,000 to \$1.5 million as a result of a reduction in the number of parking citation accounts referred for collection as well as over estimating fiscal year 2007 revenue from this source.
- Mission Bay rents and concessions are projected at \$27.7 million, \$3.3 million over budget, as a result of higher than expected revenue from Mission Bay leases, including Sea World, marinas, and hotels.
- Revenue from Other Agencies shows a projected deficit of \$6.5 million as a result of \$9.3 million in revenue from employee offset being budgeted in this revenue category whereas the actual revenue was realized in the revenue category "Services and Transfers." Accounting for this budgeting error, there is no revenue shortfall in this category.

- A deficit of \$1.9 million is projected for Charges for Current Services primarily due to the reduction in service level agreement and capital improvement project billing by General Fund departments and reduced services provided to the Emergency Medical Services Program by the San Diego Fire-Rescue Department.
- Services and Transfers shows a projected surplus of \$11.9 million as a result of a \$2.1 million transfer from inactive fund balances\* and the \$9.3 million in employee offset savings that are budgeted in the "Revenue from Other Agencies" category.

\* The discontinuation of inactive fund balances is detailed in the Executive Summary of the Fiscal Year 2008 Proposed Budget.

#### Fiscal Year 2007 Projected Revenue by Category

Revenue Category	Amount Over/(Under) Revised Budget
Property Tax	\$ 8,870,367
General Fund Sales Taxes	\$ (6,947,898)
General Fund TOT	\$ 5,992,293
Property Transfer Taxes	\$ (6,447,853)
Fines and Forfeitures:	
Parking Citations	\$ (1,500,000)
Rents and Concessions:	
Mission Bay Rents and Concessions	\$ 3,317,359
Revenues from Other Agencies	\$ (6,528,000)
Charges for Current Services	\$ (1,923,800)
Services and Transfers	\$ 11,851,776
Other Revenue Categories	\$ 2,266,562
<b>Estimated Revenue Surplus</b>	<b>\$ 8,950,806</b>

#### Expenditures

General Fund expenditures are estimated to be \$1.011 billion. There is a favorable variance of \$40.2 million when compared to the \$1.051 billion revised expenditure budget. Personnel savings, primarily due to vacancies, are the primary cause for General Fund expenditure savings. While every business center is projecting budgetary savings, budgetary control is at the department level, and some department appropriation adjustments are necessary. These adjustments are detailed in the Requested Appropriation Adjustments section of this report.



### Fiscal Year 2007 Projected Expenditure Savings by Business Center

Business Center	Amount
Business and Support Services	\$ 11,894,686
Community and Legislative Services	\$ 66,398
Department of Finance	\$ 3,343,943
Land Use and Economic Development	\$ 2,870,594
Neighborhood and Customer Services	\$ 4,430,391
Office of Ethics and Integrity	\$ 71,198
Public Safety and Homeland Security	\$ 8,617,954
Public Works	\$ 7,831,751
Non-Mayoral and Independent Departments	\$ 1,099,690
<b>Estimated Expenditure Savings</b>	<b>\$ 40,226,605</b>

### Reserves

Fiscal year 2007 estimated revenues are projected to exceed expenditures by \$38.0 million. This projection includes the \$7.2 million contribution to reserves included in the Fiscal Year 2007 Adopted Budget, the \$3.7 million salary reserve appropriated mid-year (O-19604), and the return of \$10.4 million advanced in fiscal year 2006 for State Route 56. The projected surplus, net of these items, is \$16.7 million, compared to the \$12.2 million surplus projected mid-year. However, an approximately \$4 million General Fund liability is anticipated in fiscal year 2008 for terminal leave expenses from employees ending the DROP program and not included in the Fiscal Year 2008 Proposed Budget.

### REQUESTED AUTHORITIES AND APPROPRIATION ADJUSTMENTS

The following appropriation adjustments and authorities are requested to bring General Fund departments and other selected funds into balance.

#### General Fund (items a, b, c and d)

It is requested that a total of \$4.9 million of expenditures be appropriated; \$1.7 million from additional Mission Bay lease revenues and \$3.2 million from the General Fund unallocated reserve. Significant personnel and related expenditure appropriation savings are projected in the General Fund and at year-end should offset these additional appropriations.

#### San Diego Fire - Rescue

Fringe expenditures, particularly retirement costs, have exceeded estimated amounts and are the primary contributor of projected deficits in this department. An increase not to exceed \$2.3 million is requested to balance the department's budget.

#### Citywide Program Expenditures

**Mission Bay Ordinance:** Mission Bay leases are anticipated to exceed budget by \$3.3 million. The Mission Bay Ordinance (O-19118) requires that 50% of all revenues received in excess of \$20 million be allocated to the Mission Bay and Regional Parks Improvement Funds up to a cap

of \$2.5 million. An increase not to exceed \$1.7 million is requested to allocate these funds in accordance with the Ordinance. An increase to appropriate the same amount in revenues is also requested to offset the expenditure appropriation increase.

**Actuarial Services:** Authorize an additional \$280,000 appropriation in Citywide Program Expenditures for contracted actuarial services. A separate contract amendment will be brought to the City Council for consideration.

**Property Tax Administration:** Authorize the transfer of \$1.8 million of appropriations and related expenditures for administration fees paid to the County of San Diego for the collection and distribution of property tax. This transfer is from the City Auditor and Comptroller's Office to the Citywide Program Expenditures Department. Restructuring in fiscal year 2007 moved these appropriations from Citywide Program Expenditures to the office of the City Auditor and Comptroller yet these fees are not related to the operations of the Auditor and Comptroller's Office but benefit the entire General Fund. As such, it is appropriate to return this expenditure to the Citywide Programs Department. Budgeted appropriations of \$1.2 million are available in the Citywide Program Expenditures Department to cover this expense as projected in the mid-year budget adjustment. The budget for Property Tax Administration has been returned to Citywide Program Expenditures in the Fiscal Year 2008 Proposed Budget.

As a practical matter, these fees are withheld by the County with each property tax apportionment, and the booking of these expenditures are required to correctly recognize costs. Current projections estimate these fees at \$3.2 million, which exceed current appropriations (\$1.8 million in the City Auditor and Comptroller's Office to be transferred and \$1.2 million available in Citywide Program Expenditures); an additional \$200,000 appropriation is required to balance the budget.

#### **Customer Services**

The Customer Services Department incurred additional personnel related expenditures related to the terminal leave of two retired employees while also incurring costs related to their replacements. An increase not to exceed \$165,000 is requested to balance the department's budget.

#### **Land Use and Economic Development and Customer and Neighborhood Services**

Deficits are projected in personnel and related fringe accounts for the Assistant Deputy Chief Operating Officer positions that support Land Use and Economic Development and Customer and Neighborhood Services. These positions were not originally budgeted in fiscal year 2007 in these departments. Personnel savings in other departments are expected to offset the anticipated over expenditure. An increase not to exceed \$117,000 for each department is requested to balance the departments' budgets.

#### **Special Projects and Public Works**

The Special Projects and Public Works Departments were impacted by restructuring and Business Process Reengineering budget adjustments in the Fiscal Year 2007 Mid-Year. Expenses are slightly higher than anticipated, resulting in projected deficits in salary and fringe accounts.

An increase not to exceed \$11,000 is requested for each department to balance the departments' budgets.

#### **Transfer of Appropriations Among General Fund Departments**

Authorize the City Auditor and Comptroller to transfer salary appropriations in one General Fund department for fringe and/or non-personnel appropriations in another General Fund department with no net increase to either department's total budget. This will allow departments to remain balanced, within the Charter requirement that salary appropriations may not be used for any other purpose. For example, non-personnel savings in the Park and Recreation Department may be transferred to the Police Department with an offsetting transfer of Police Department salary savings transferred to the Park and Recreation Department. Both departments' total budgets remain as approved by Council; however, the Police Department would receive non-personnel appropriations to balance its over expenditures.

Authorize the City Auditor and Comptroller to transfer appropriations for services provided by one General Fund department to another General Fund department. General Fund departments do not charge other General Fund departments for work performed; this action will allow the spending authority to be transferred to cover the costs of services provided by another General Fund department. For example, if General Services provides facilities maintenance work for another General Fund department, the expense may be over budget for General Services. However, the originating department may have planned for this work and would have the appropriations available to cover the expenditure.

#### **Mission Bay and Regional Park Improvement Funds (item e)**

In accordance with the Mission Bay Ordinance (O-19118), appropriation increases not to exceed \$850,000 are requested in the Mission Bay Park Improvement Fund and Regional Park Improvement Fund for a combined total of \$1.7 million. This is due to the increased Mission Bay lease revenue in fiscal year 2007 and this amount is requested to be transferred from Citywide Program Expenditures.

#### **Central Stores (item f)**

Authorize the City Auditor and Comptroller to increase appropriations from Central Stores Internal Service Fund's unanticipated revenue in an amount not to exceed \$600,000. There was a mid-year budget adjustment to fully appropriate projected expenditures and revenues and an additional appropriation of \$600,000 is needed. Central Stores is projecting expenditures of \$26.3 million, which exceed the \$25.7 million revised expenditure budget by \$600,000. These additional expenditures generated additional revenue. Departmental revenue projections indicate revenues of \$26.5 million, which exceed the revised revenue budget of \$25.7 million by approximately \$800,000.

#### **Equipment Division (item g)**

Authorize the City Auditor and Comptroller to increase Equipment Operating Fund appropriations by an amount not to exceed \$1.9 million. Funding will come from a transfer from

the Equipment Replacement Fund. Departmental projections indicate expenditures of \$29.7 million, which exceed the \$28.3 million expenditure appropriations by approximately \$1.4 million. Increased fuel and equipment parts costs are the primary contributors to the projected non-personnel expenditure deficit, which is offset by a projected \$500,000 savings in salaries.

### **QUALCOMM Stadium (item h)**

Authorize the City Auditor and Comptroller to recognize \$112,000 in additional revenue and to increase appropriations in the QUALCOMM Stadium Fund an amount not to exceed \$150,000 to fund a projected over expenditure in fringe benefit costs. The balance of \$38,000 will come from the QUALCOMM Stadium Fund balance.

#### **Summary of Fiscal Year 2007 Requested Appropriation Adjustments**

<b>Budgetary Unit</b>	<b>Amount</b>
<b>General Fund</b>	
San Diego Fire - Rescue	\$ 2,300,000
Citywide Program Expenditures - Mission Bay Ordinance	\$ 1,700,000
Citywide Program Expenditures - Actuarial Services	\$ 280,000
Citywide Program Expenditures - Property Tax Administration	\$ 2,000,000
City Auditor and Comptroller - Property Tax Administration transfer	\$ (1,800,000)
Customer Services	\$ 165,000
Land Use and Economic Development	\$ 117,000
Customer and Neighborhood Services	\$ 117,000
Special Projects	\$ 11,000
Public Works	\$ 11,000
<b>Total General Fund Expenditures</b>	<b>\$ 4,901,000</b>
Mission Bay Lease Revenue	\$ 1,700,000
<b>Total General Fund Revenue</b>	<b>\$ 1,700,000</b>
<b>Other Funds</b>	
Mission Bay Improvement Fund	\$ 850,000
Regional Park Improvement Fund	\$ 850,000
Central Stores Internal Service Fund	\$ 600,000
Equipment Division Operating Fund	\$ 1,900,000
QUALCOMM Stadium Fund	\$ 150,000

### **Carryovers of Fiscal Year Appropriations (items j, k, l and m)**

#### **Council Infrastructure Improvement Funds**

Authorize the carryover of available budget balances for Council Districts 1 through 8 into their respective Infrastructure Improvement Fund. The purpose of this carryover is to finance capital improvements and major maintenance of streetlights, sidewalks, traffic signals, libraries, park and recreation facilities, roadways, or other purposes as identified by individual Council

Districts. In addition, amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to increase appropriations of and transfer funds related to the Infrastructure Improvement Fund and to establish capital improvement projects, in an amount not to exceed \$100,000, for purposes identified by the individual Council Districts for their respective funds.

#### **Park and Recreation**

Authorize the carryover of \$1,035,000 for the Park and Recreation Department into the allocated reserve for the following purposes and projects:

- \$525,000 for the repaving of various Balboa Park parking lots
- \$250,000 for the relocation of staff and equipment from the World Trade Center building and refurbishment of replacement office space
- \$125,000 for the repair of various parking lots and playground rubber surfaces
- \$110,000 for the installation of an automated irrigation system and landscaping at Mt. Hope Cemetery
- \$25,000 for the relocation of staff and equipment to the Fire Alarm Building and refurbishment of office space

Authorize the transfer of \$70,000 from the Park and Recreation Department into the Capital Improvements Program (CIP) budget, including establishment of new CIP project 21-872.0, Palisades Building ADA Ramp, in order to construct an accessibility ramp at the Palisades Building in Balboa Park.

#### **Summary of Carryover of Fiscal Year 2007 Appropriations**

<b>Budgetary Unit</b>	<b>Amount</b>
Council District 1 (estimated)	\$ 58,000
Council District 2 (estimated)	\$ 128,000
Council District 3 (estimated)	\$ 28,000
Council District 4 (estimated)	\$ 69,000
Council District 5 (estimated)	\$ 139,000
Council District 6 (estimated)	\$ 143,000
Council District 7 (estimated)	\$ 106,000
Council District 8 (estimated)	\$ 16,000
Park and Recreation	\$ 1,035,000
Palisades Building ADA Ramp (CIP 21-872.0)	\$ 70,000
<b>Total Requested Carryover</b>	<b>\$ 1,792,000</b>

#### **CONCLUSION**

Each year the year-end budget adjustment report is submitted to identify the financial transactions needed to balance funds prior to the conclusion of the fiscal year. Staff recommend that the City Council accept this report and authorize the City Auditor and Comptroller to complete the financial transactions listed in this report.

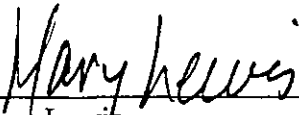
FISCAL CONSIDERATIONS:

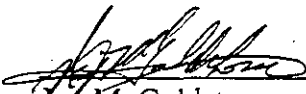
- General Fund expenditure appropriations will increase by approximately \$4.9 million, the revised revenue budget will increase by approximately \$1.7 million and the balance of \$3.2 million will be funded from the General Fund unallocated reserve.
- Mission Bay Improvement Fund and Regional Park Improvement Fund revenue and expenditure appropriations will increase by approximately \$850,000 each.
- Central Stores Internal Service Fund revenue and expenditure appropriations will increase by approximately \$600,000.
- Equipment Operating Fund expenditure appropriations will increase by approximately \$1.9 million to be funded by a transfer from the Equipment Replacement Fund.
- QUALCOMM Stadium expenditure appropriations will increase by approximately \$150,000, the revenue budget will increase by \$112,000 and the balance of \$38,000 will be funded from the QUALCOMM Stadium Fund balance.
- The General Fund will carryover approximately \$687,000 to the Infrastructure Improvement Fund, \$1,035,000 to the allocated reserve for Park and Recreation projects, and \$70,000 to the Capital Improvements Program.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: None.

COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS: None.

KEY STAKEHOLDERS AND PROJECTED IMPACTS: None.

  
\_\_\_\_\_  
Mary Lewis  
Financial Management Director

  
\_\_\_\_\_  
Jay M. Goldstone  
Chief Financial Officer

- Attachments:
- I. General Fund Fiscal Year 2007 Projected Revenue Report
  - II. General Fund Fiscal Year 2007 Projected Expenditure Report
  - III. Select Non-General Fund Fiscal Year 2007 Projected Revenue and Expenditure Report

RECEIVED  
07 JUN - 6 PM 4:51  
CITY CLERKS OFFICE  
SAN DIEGO, CA

**City of San Diego**  
**General Fund**  
**Fiscal Year 2007 Projected Revenue Report**  
**As of April 6, 2007**

	Original Adopted Budget	Revised Budget	Projected Year End Revenues	Over/(Under) Budget	Variance
<b>Property Taxes</b>	\$ 344,196,284	\$ 354,720,284	\$ 363,590,651	\$ 8,870,367	3%
Safety Sales Taxes	8,193,840	8,193,840	8,089,171	(104,669)	-1%
General Fund Sales Taxes	234,876,334	234,876,334	227,928,436	(6,947,898)	-3%
General Fund TOT	72,862,596	72,862,596	78,854,889	5,992,293	8%
Property Transfer Taxes	14,872,876	14,872,876	8,425,023	(6,447,853)	-43%
<b>Licenses &amp; Permits</b>					
Business Taxes	7,312,000	7,312,000	6,896,000	(416,000)	-6%
Rental Unit Taxes	6,730,000	6,730,000	7,461,000	731,000	11%
Parking Meters	6,504,315	6,504,315	6,430,315	(74,000)	-1%
Refuse Collector Business Taxes	1,700,000	1,700,000	1,982,000	282,000	17%
Other Misc Licenses & Permits	8,561,164	8,561,164	8,567,164	26,000	0%
<b>Total Licenses &amp; Permits</b>	<b>30,807,479</b>	<b>30,807,479</b>	<b>31,356,479</b>	<b>549,000</b>	<b>2%</b>
<b>Fines &amp; Forfeitures</b>					
Parking Citations	19,453,901	19,453,901	17,953,901	(1,500,000)	-8%
Municipal Court	7,813,809	7,813,809	7,986,809	373,000	5%
Negligent Impound	2,850,000	2,850,000	2,803,000	(53,000)	2%
Other Misc Fines & Forfeitures	4,630,256	6,032,341	7,397,341	1,365,000	23%
<b>Total Fines &amp; Forfeitures</b>	<b>34,547,966</b>	<b>35,950,051</b>	<b>36,241,051</b>	<b>291,000</b>	<b>1%</b>
<b>Interest &amp; Dividends</b>	<b>3,130,000</b>	<b>7,130,000</b>	<b>8,130,000</b>	<b>1,000,000</b>	<b>14%</b>
<b>Franchises</b>					
SDG&E	39,089,183	39,089,183	39,204,584	1,115,381	3%
CATV	15,844,750	15,844,750	15,630,712	(214,038)	-1%
Refuse Collection	10,600,000	10,600,000	10,000,000	(600,000)	-6%
Other Franchises	249,079	249,079	254,079	5,000	2%
<b>Total Franchises</b>	<b>64,783,012</b>	<b>64,783,012</b>	<b>65,089,355</b>	<b>306,343</b>	<b>0%</b>
<b>Rents and Concessions</b>					
Mission Bay	24,390,379	24,390,379	27,707,738	3,317,359	14%
Pueblo Lands	3,331,758	3,331,758	2,827,758	(504,000)	-15%
Other Rents and Concessions	3,799,061	3,799,061	4,034,061	235,000	6%
<b>Total Rents and Concessions</b>	<b>31,521,198</b>	<b>31,521,198</b>	<b>34,569,557</b>	<b>3,048,359</b>	<b>10%</b>
<b>Motor Vehicle License Fees</b>	<b>9,255,341</b>	<b>9,255,341</b>	<b>8,571,229</b>	<b>(684,112)</b>	<b>-7%</b>
<b>Revenues from Other Agencies</b>	<b>17,621,283</b>	<b>17,620,858</b>	<b>11,092,858</b>	<b>(6,528,000) <sup>(2)</sup></b>	<b>-37%</b>
<b>Charges for Current Services</b>	<b>34,869,261</b>	<b>32,360,304</b>	<b>30,436,504</b>	<b>(1,923,800)</b>	<b>-6%</b>
<b>Services and Transfers</b>	<b>119,180,103</b>	<b>122,025,485 <sup>(1)</sup></b>	<b>133,877,261</b>	<b>11,851,776 <sup>(2)</sup></b>	<b>10%</b>
<b>Miscellaneous Revenues</b>	<b>2,615,525</b>	<b>2,615,525</b>	<b>2,293,525</b>	<b>(322,000)</b>	<b>-12%</b>
<b>Total General Fund Revenues</b>	<b>\$ 1,023,333,098</b>	<b>\$ 1,039,595,183</b>	<b>\$ 1,048,545,988</b>	<b>\$ 8,950,806</b>	<b>1%</b>

<sup>(1)</sup> Adjusted to reflect increased appropriation from Proposition 42 Motor Vehicle Fuel Tax revenue as approved by Council on 03/06/2007, O-19580.

<sup>(2)</sup> \$9.3M of Tobacco Revenue budgeted as Revenue from Other Agencies but received as Services and Transfers.

**City of San Diego**  
**General Fund**  
**Fiscal Year 2007 Projected Expenditure Report**  
**As of April 6, 2007**

	Original Adopted Budget	Revised Budget	Projected Year-End Expenditures	(Over)/Under Budget	Variance
<b>Business and Support Services</b>					
Business and Grant Administration	\$ 946,237	\$ 727,300	\$ 613,405	\$ 113,895	18%
Business Office	1,068,414	1,066,739	926,516	140,223	13%
<b>Citywide Program Expenditures</b>					
Assessments to Public Property	480,837	335,837 <sup>(1)</sup>	335,837	-	0%
Deferred Maintenance	12,788,412	12,788,412	14,447,092	(1,658,680)	-13%
Elections	731,636	523,817 <sup>(1)</sup>	512,290	11,527	2%
Employee Personal Property Claims	-	5,000	5,000	-	0%
Health	16,273	40,262 <sup>(1)</sup>	40,262	-	0%
Insurance	2,028,000	1,080,000 <sup>(1)</sup>	1,080,000	-	0%
Memberships	705,268	615,000 <sup>(1)</sup>	600,650	14,350	2%
Office Space	6,983,769	7,063,769 <sup>(1)</sup>	7,071,769	(8,000)	0%
Property Tax Administration	-	1,200,000 <sup>(1)</sup>	-	1,200,000	-100%
Public Liability Claims	10,000,000	20,855,944 <sup>(1)</sup>	20,855,944	-	0%
Reserve Contribution	7,200,097	7,200,097	-	7,200,097	100%
Salary Reserve	-	3,719,000 <sup>(1)</sup>	-	3,719,000	100%
Special Consulting	440,062	1,055,218 <sup>(1)</sup>	1,335,218	(280,000)	-27%
Special Promotional Programs	4,731,181	- <sup>(1)</sup>	-	-	0%
Transportation Subsidy	278,077	278,077	278,077	-	0%
<b>Total Citywide Program Expenditures</b>	<b>46,383,612</b>	<b>56,760,433</b>	<b>46,562,139</b>	<b>10,198,295</b>	<b>18%</b>
Human Resources	4,519,030	1,557,605	1,464,931	92,674	6%
Office of the Chief Information Officer	12,594,392	12,594,392	12,594,392	-	0%
Personnel	6,991,385	6,991,385	6,932,816	58,569	1%
Purchasing and Contracting	6,057,017	6,359,117	5,068,087	1,291,030	20%
<b>Total Business and Support Services</b>	<b>78,560,067</b>	<b>86,056,971</b>	<b>74,162,286</b>	<b>11,894,686</b>	<b>14%</b>
<b>Community and Legislative Services</b>					
Community and Legislative Services	3,804,389	4,478,322	4,411,924	66,398	1%
<b>Total Community and Legislative Services</b>	<b>3,804,389</b>	<b>4,478,322</b>	<b>4,411,924</b>	<b>66,398</b>	<b>1%</b>
<b>Department of Finance</b>					
City Auditor and Comptroller	13,259,804	13,636,967	13,469,100	167,867	1%
City Treasurer	10,089,089	13,929,417	11,651,232	2,278,185	16%
Debt Management	1,775,687	1,775,656	1,370,523	405,133	23%
Department of Finance	201,356	370,979	276,373	94,606	26%
Financial Management	4,052,574	3,809,589	3,411,417	398,152	10%
<b>Total Department of Finance</b>	<b>29,378,500</b>	<b>33,522,588</b>	<b>30,178,645</b>	<b>3,343,943</b>	<b>10%</b>
<b>Land Use and Economic Development</b>					
City Planning and Community Investment	6,846,724	7,041,172	6,817,695	223,477	3%
Community and Economic Development	10,948,786	11,221,727	10,240,365	981,362	9%
Neighborhood Code Compliance	6,708,037	6,702,177	5,845,486	856,691	13%
Real Estate Assets	4,786,795	4,783,360	3,859,358	924,002	19%
Land Use and Economic Development	-	127,058	241,996	(114,938)	-90%
<b>Total Land Use and Economic Development</b>	<b>29,290,342</b>	<b>29,875,494</b>	<b>27,004,900</b>	<b>2,870,594</b>	<b>10%</b>
<b>Neighborhood and Customer Services</b>					
Customer Services	2,060,780	1,854,820	2,014,802	(159,982)	-8%
Neighborhood and Customer Services	-	254,117	367,976	(113,859)	-45%
Library	38,743,686	38,865,727	37,213,787	1,451,940	4%
Park and Recreation	84,140,359	86,798,413	83,535,943	3,262,471	4%
Special Projects	1,142,888	666,252	676,430	(10,178)	-2%
<b>Total Neighborhood and Customer Services</b>	<b>126,087,713</b>	<b>126,239,329</b>	<b>123,808,938</b>	<b>4,430,391</b>	<b>3%</b>
<b>Office of Ethics and Integrity</b>					
Office of Ethics and Integrity	1,194,683	1,194,611	1,123,413	71,198	6%
<b>Total Office of Ethics and Integrity</b>	<b>1,194,683</b>	<b>1,194,611</b>	<b>1,123,413</b>	<b>71,198</b>	<b>6%</b>
<b>Public Safety and Homeland Security</b>					
Family Justice Center	670,728	670,534	629,778	40,756	6%
Office of Homeland Security	1,562,766	1,562,609	1,139,423	423,186	27%
Police	360,134,725	365,844,053	355,578,639	10,265,414	3%
Public Safety	2,227,970	2,334,807	2,232,485	102,322	4%
San Diego Fire-Rescue	169,509,660	172,962,861	175,176,585	(2,213,724)	-1%
<b>Total Public Safety and Homeland Security</b>	<b>534,105,849</b>	<b>543,374,864</b>	<b>534,756,910</b>	<b>8,617,954</b>	<b>2%</b>



**City of San Diego**  
**General Fund**  
**Fiscal Year 2007 Projected Expenditure Report**  
**As of April 6, 2007**

	Original Adopted Budget	Revised Budget	Projected Year-End Expenditures	(Over)/Under Budget	Variance
<b>Public Works</b>					
Engineering and Capital Projects	35,241,744	35,077,668	30,997,525	4,080,143	12%
Environmental Services	38,222,681	40,172,424 <sup>(2)</sup>	38,620,248	1,552,176	4%
General Services	76,266,775	73,123,436 <sup>(3)</sup>	71,127,109	1,996,326	3%
Storm Water Pollution Prevention	13,561,608	13,560,493	13,348,781	211,712	2%
<b>Total General Services</b>	<b>89,628,383</b>	<b>86,683,929</b>	<b>84,475,890</b>	<b>2,208,038</b>	<b>3%</b>
Public Works	190,520	444,637	453,244	(6,607)	-2%
<b>Total Public Works</b>	<b>163,483,328</b>	<b>162,378,658</b>	<b>154,546,907</b>	<b>7,831,751</b>	<b>5%</b>
<b>Other and Independent Departments</b>					
Chief Operating Officer	2,982,629	2,980,116	2,956,267	23,849	1%
Mayor	228,658	242,522	242,297	225	0%
Tax and Revenue Anticipation Notes	2,130,000	6,130,000	5,829,428	300,572	5%
City Attorney	36,205,158	36,388,158	36,367,029	21,129	0%
City Clerk	4,124,544	4,124,544	3,945,711	178,833	4%
City Council - District 1	990,000	990,000	990,000	-	0%
City Council - District 2	990,000	990,000	990,000	-	0%
City Council - District 3	990,000	990,000	990,000	-	0%
City Council - District 4	990,000	990,000	990,000	-	0%
City Council - District 5	990,000	990,000	990,000	-	0%
City Council - District 6	990,000	990,000	990,000	-	0%
City Council - District 7	990,000	990,000	990,000	-	0%
City Council - District 8	990,000	990,000	990,000	-	0%
Council Administration	2,628,833	2,628,833	2,628,416	200,417	7%
Ethics Commission	1,008,385	1,008,385	633,720	374,665	37%
<b>Total Other and Independent Departments</b>	<b>57,428,207</b>	<b>61,622,558</b>	<b>60,522,868</b>	<b>1,099,690</b>	<b>2%</b>
<b>Total General Fund Expenditures</b>	<b>\$ 1,023,333,098</b>	<b>\$ 1,050,743,395</b>	<b>\$ 1,010,516,780</b>	<b>\$ 40,226,605</b>	<b>4%</b>

<sup>(1)</sup> Adjusted to reflect mid-year appropriation adjustments as approved by Council on 03/26/2007, O-19804, and other pending Council approved actions.

<sup>(2)</sup> Adjusted to reflect mid-year appropriation adjustments as approved by Council on 03/26/2007, O-19604.

<sup>(3)</sup> Adjusted to reflect increased appropriation from Proposition 42 Motor Vehicle Fuel Tax revenue as approved by Council on 03/06/2007, O-19580.

**City of San Diego**  
**Select Non-General Fund**  
**Fiscal Year 2007 Projected Revenue and Expenditure Report**  
**As of April 6, 2007**

		Original Adopted Budget	Revised Budget	Year-End Projection	Surplus/(Deficit)	Variance
<b>Business and Support Services</b>						
Central Stores Internal Service Fund						
	Revenue	\$ 19,297,359	\$ 25,697,359	\$ 26,515,620	\$ 818,261	3%
	Expenditures	18,697,055	25,697,055	26,293,416	(596,361)	-2%
<b>Land Use and Economic Development</b>						
QUALCOMM Stadium Operating Fund						
	Revenue	15,681,009	15,681,009	15,793,208	112,199	1%
	Expenditures	15,993,008	15,999,008	15,881,840	117,168	1%
<b>Public Works</b>						
Equipment Operating Fund						
	Revenue	28,795,587	28,795,587	29,793,893	998,306	3%
	Expenditures	28,281,481	28,281,481	29,746,144	(1,464,663)	-5%
<b>Publishing Services Internal Fund</b>						
	Revenue	4,749,288	4,749,288	4,263,125	(486,173)	-10%
	Expenditures	4,355,101	4,355,101	4,259,107	95,994	2%

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**Estimated General Fund Working Capital (Unaudited)**

2006 Ending Cash or Equity in Pooled Cash and Investments	\$ 30,607,930
Receivables (Due Within 60 Days)	59,768,977
Payables	(29,208,156)
Working Capital Beginning Balance	61,168,751

Encumbrances	(19,517,508)
Other Restrictions	(460,741)
	(19,978,249)

Total Working Capital at 07-01-06	<u>41,190,502</u>
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**Actions Taken Since 7-1-06**

Additional Contribution included in fy 2007 Budget	7,200,000
Taylor Street Slope Reconstruction - (Advance/Loan)	(1,226,848)
Latham Watkins and Levine Steinberg legal services	(2,000,000)
SEC Investigation Legal costs	(101,260)
Outside Legal Services	(433,000)
SEC Investigation Legal costs	(503,073)
Return of SR-56 Advance	10,410,800
Lobbying Contract	(221,000)
Audit Services - Macias, Gini & O'Connell	(327,325)
Legal Services - SDPOA vs Aguirre & Aaron vs City	(1,000,000)
Legal Services - Otay Acquisition, Natl Enterprise & Border Bus.	(200,000)
Legal Services - McGuigan vs City of San Diego	(142,620)
Audit Services - KPMG	(1,320,000)
SEC Oversight Consultant	(1,417,400)
AC2700395-1472 - outside counsel services in Otay Acquisition, National Enterprise and Border Business Park	(200,000)
AC 2700396-1472-former and current city officials investigation cost	(534,000)
AC2700488-1472 - settlement of personnel claim	(65,000)
AC2700487-1544 - (replacing AC2700132 - never filed with the clerk) - SDCERS actuarial consulting	(210,000)
AC2700471-1472 - budget increase to dept 073 to reimburse water department for reservoir concession costs in 2007	(1,498,250)
AC2700107-1544 - benefits broker consulting and actuarial services	(100,000)
AC2700657-1472 1st amendment to agreement with Actuarial Services Company PC	(292,371)
Mid -Year Adjustments	(3,547,944)

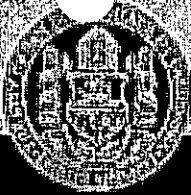
**Amounts Encumbered Waiting for Action**

AC2700383-1472- Authorizing appropriation and transfer to Water enterprise fund	(487,213)
AC2700391-1472 - outside counsel for Joseph Lopez v. City of SD (GIC 8869054) - Latham Watkins	(250,000)
AC2700392-1472 - outside counsel for services in Steven A. Sloan, et al. vs. City of SD - Latham Watkins	(250,000)
AC2700698-1472-to authorize the appropriation and transfer of funds from GF to Public Liability for property damage claim	(100,000)
Pending Mid-Year adjustment for ESD	(1,955,000)

<b>Working Capital</b>	<b>40,418,998</b>
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<b>Current Action</b>	<b>(3,200,000)</b>
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<b>Total Working Capital</b>	<b><u>37,218,998</u></b>
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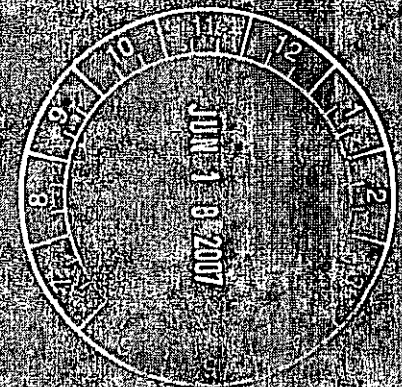


City of San Diego

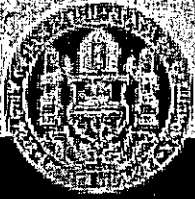


# Fiscal Year 2007 General Fund Year-End Projections and Appropriation Adjustments

June 18, 2007





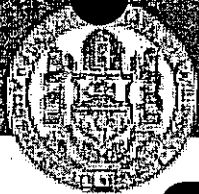


# Overview of General Fund

## Year End Projections\*

- Based on revised budget, expenditures under budget by \$40M
- Savings in all Business Centers
- Appropriation adjustments total \$4.9M: \$3.2M for over expenditures and \$1.7M to recognize additional revenue
- Revenue surplus projected at \$9M over revised budget

\*based on Period 10 (04/06/07)



City of San Diego

# Savings by Business Center

Fiscal Year 2007 Projected Expenditure Savings by Business Center

Business Center	Amount
Business and Support Services	\$11,894,686
Community and Legislative Services	\$ 66,398
Department of Finance	\$ 3,343,943
Land Use and Economic Development	\$ 2,870,594
Neighborhood and Customer Services	\$ 4,430,391
Office of Ethics and Integrity	\$ 71,198
Public Safety and Homeland Security	\$ 8,617,954
Public Works	\$ 7,831,751
Non-Mayoral and Independent Departments	\$ 1,099,690
<b>Estimated Expenditure Savings</b>	<b>\$40,226,605</b>





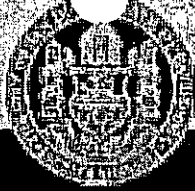
# Revenues

**Projected budgetary surplus of \$9.0M**

- Surplus due to higher than expected receipt of major revenues

## Major Revenues over (under) Budget

• Property Tax	\$ 8.9 M
• General Fund Sales Taxes	\$(6.9)M
• General Fund TOT	\$ 6.0 M
• Property Transfer Tax	\$(6.5)M



# General Fund Reserve

- Actual revenues projected to exceed actual expenses by \$38.0M

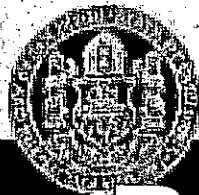
(Projected revenues of \$1.049 billion vs. expenditures of \$1.011 billion)

- Includes:

- \$7.2M FY07 Budgeted Reserve Contribution
- \$3.7M Salary Reserves Appropriated Mid-Year
- \$10.4M Refund for State Route 56

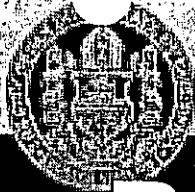
- Given these items, projected net contribution to reserves is \$16.7M





# Budget Increases/(Decreases)

- Adjust expenditures \$4.9M and revenues 1.7M
  - General Fund Expenditures:
    - **San Diego Fire-Rescue:** Increase of \$2.3M for over budget fringe expenses
    - **Citywide Program Expenditures:**
      - **Mission Bay Ordinance (C-19118):** Increase of \$1.7M for allocation to the Mission Bay and Regional Parks Improvement Funds to comply with ordinance
      - **Actuarial Services:** Increase of \$280,000 for contract services
      - **Property Tax Administration:** Transfer of \$1.8M of appropriations and related expenditures from the City Auditor and Comptroller and an appropriation increase of \$200,000 to offset projected deficit in budgeted expense



# Budget Increases/(Decreases)

## – General Fund Expenditures (continued)

- **Customer Services:** Increase of \$165,000 to cover unexpected personnel expenses related to terminal leave
- **Land Use and Economic Development and Customer and Neighborhood Services:** An increase of \$117,000 for each department for personnel and fringe expenses
- **Special Projects and Public Works:** An increase of \$11,000 for personnel and fringe expenses

## – General Fund Revenue:

- **Mission Bay lease revenues:** Increase revenue by \$1.7M due to higher than anticipated lease income



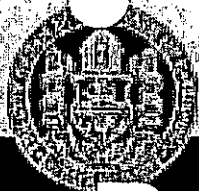


City of San Diego

# General Fund Budget Adjustments

## Summary of Fiscal Year 2007 Requested General Fund Appropriation Adjustments

Budgetary Unit	Amount
San Diego Fire - Rescue	\$ 2,300,000
Citywide Program Expenditures - Mission Bay Ordinance	\$ 1,700,000
Citywide Program Expenditures - Actuarial Services	\$ 280,000
Citywide Program Expenditures - Property Tax Administration	\$ 2,000,000
City Auditor and Comptroller - Property Tax Administration transfer	\$(1,800,000)
Customer Services	\$ 165,000
Land Use and Economic Development	\$ 117,000
Customer and Neighborhood Services	\$ 117,000
Special Projects	\$ 11,000
Public Works	\$ 11,000
<b>Total General Fund Expenditures</b>	<b>\$ 4,901,000</b>
 Mission Bay Lease Revenue	 \$ 1,700,000
<b>Total General Fund Revenue</b>	<b>\$ 1,700,000</b>

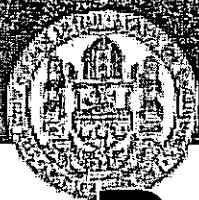


# Budget Increases/(Decreases)

## – Non-General Fund Expenditures:

- **Mission Bay and Regional Park Improvement Funds:** Increase revenues and expenses by \$850,000 for the Mission Bay Park Improvement Fund and Regional Park Improvement Fund for a combined total of \$1.7M
- **Central Stores:** Increase both revenue and expense appropriations by \$600,000 for increased revenue-generating expenses in supplies
- **Equipment Division:** Increase Equipment Operating Fund revenue and expense appropriations by \$1.9M resulting from increased fuel and equipment parts expenses
- **QUALCOMM Stadium:** Increase of \$150,000 in expenditures for deficit in fringe and \$112,000 in revenue



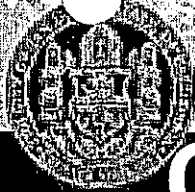


City of San Diego

# Budget Increases/(Decreases)

## Summary of Fiscal Year 2007 Requested Non-General Fund Appropriation Adjustments

Budgetary Unit	Amount
Mission Bay Improvement Fund	\$ 850,000
Regional Park Improvement Fund	\$ 850,000
Central Stores Internal Service Fund	\$ 600,000
Equipment Division Operating Fund	\$ 1,900,000
QUALCOMM Stadium Fund	\$ 150,000
<b>Total Non-General Fund Expenditures</b>	<b>\$ 4,350,000</b>



City of San Diego

# Carryovers of Fiscal Year 2007 Appropriations

- Council Districts 1 through 8: Year-end surpluses carried over to Infrastructure Improvement Funds
- Park and Recreation Department: \$1M for specific projects and \$70,000 to Capital Improvement Program

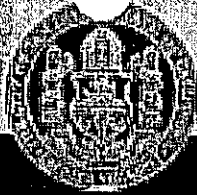




# Conclusion

Year-end appropriation adjustments require a \$3.2M contribution from the General Fund unallocated reserve.

Expenditure savings of approximately \$40M will more than offset additional appropriations.



**City of San Diego**

# **Fiscal Year 2007 General Fund Year-End Projections and Appropriation Adjustments**

**June 18, 2007**



# REQUEST FOR COUNCIL ACTION

CITY OF SAN DIEGO

1. CERTIFICATE NUMBER  
(FOR AUDITOR'S USE ONLY)

TO: CITY ATTORNEY

2. FROM (ORIGINATING DEPARTMENT):  
FINANCIAL MANAGEMENT

3. DATE: 06/01/07

SUBJECT: Fiscal Year 2007 Year-End Budget Adjustments

5. PRIMARY CONTACT (NAME, PHONE & MAIL STA.)  
Angela Colton, x65988, MS 8A

6. SECONDARY CONTACT (NAME, PHONE & MAIL STA.)  
Mary Lewis, x55880, MS 8A

7. CHECK BOX IF REPORT TO COUNCIL IS ATTACHED ☒ X

## 8. COMPLETE FOR ACCOUNTING PURPOSES

FUND	Various			
DEPT.	Various			
ORGANIZATION	Various			
OBJECT ACCOUNT	Various			
JOB ORDER				
C.I.P. NUMBER				
AMOUNT	Various			

## 9. ADDITIONAL INFORMATION / ESTIMATED COST:

Requested General Fund budget increases of \$4.9 million in expenditures and \$1.7 million in revenue, requiring an allocation of \$3.2 million of General Fund reserves. General Fund carryovers and adjustments in other funds are also requested as outlined in the attached report.

## 10. ROUTING AND APPROVALS

ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED	ROUTE (#)	APPROVING AUTHORITY	APPROVAL SIGNATURE	DATE SIGNED
1	ORIGINATING DEPARTMENT	<i>Angela Colton</i>	6/1/07	8	DEPUTY CHIEF/CFO	<i>[Signature]</i>	6/1/07
2	<i>[Signature]</i>	<i>[Signature]</i>	6/7/07	9	COO	<i>[Signature]</i>	
3				10	CITY ATTORNEY	<i>[Signature]</i>	6/1/07
4	LIAISON OFFICE			11	ORIGINATING DEPARTMENT	<i>Angela Colton</i>	6/5/07
5					DOCKET COORD:	COUNCIL LIAISON: <i>[Signature]</i>	6/7/07
6					COUNCIL PRESIDENT <i>[Signature]</i>	<input type="checkbox"/> SPOB <input type="checkbox"/> CONSENT <input checked="" type="checkbox"/> ADOPTION	
					<input type="checkbox"/> REFER TO:	COUNCIL DATE: 6/18/07	

11. PREPARATION OF: ☐ RESOLUTION(S) ☒ ORDINANCE(S) ☐ AGREEMENT(S) ☐ DEED(S)

Refer to Attachment 1

## 11A. STAFF RECOMMENDATIONS:

- The City Council should accept the Fiscal Year 2007 Year-End Budget Adjustment Report.
- The City Council should authorize the City Auditor and Comptroller to complete the financial transactions listed in this report.

## 12. SPECIAL CONDITIONS:

COUNCIL DISTRICT(S): N/A  
COMMUNITY AREA(S): N/A  
ENVIRONMENTAL IMPACT: N/A  
HOUSING IMPACT: N/A  
OTHER ISSUES: N/A

CITY ATTORNEY  
JUN 1 2 46 PM '07

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CITY ATTORNEY

1. Accept the Fiscal Year 2007 Year-End Budget Adjustments Report.
2. Authorize the City Auditor and Comptroller to complete the financial transactions listed in this report.
  - a. Amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to increase General Fund appropriations approximately \$4.9 million, as discussed in this report, from the following sources: \$1.7 million from additional Mission Bay lease revenues and \$3.2 million from the General Fund unallocated reserve.
  - b. Amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to transfer appropriations and related expenditures for administration fees paid to the County of San Diego for the collection and distribution of property tax from the City Auditor and Comptroller's Office to the Citywide Programs Department.
  - c. Authorize the City Auditor and Comptroller to transfer appropriations between General Fund departments as necessary where the net transfer does not result in an increase to either department's current budget.
  - d. Amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to transfer appropriations for costs avoided in one budget unit by an agreement to incur them in another budget unit.
  - e. Amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to increase the Mission Bay Park Improvement Fund and the Regional Park Improvement Fund appropriations in an amount not to exceed \$850,000 each from a transfer from the General Fund.
  - f. Amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to appropriate \$600,000 in additional Central Stores' revenue and to increase Central Stores Internal Service Fund appropriations by \$600,000.
  - g. Amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to increase the appropriations of the Equipment Operating Fund by \$1.9 million to be funded by a transfer from the Equipment Replacement Fund.
  - h. Amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to increase expenditure appropriations for QUALCOMM Stadium Fund by \$150,000 from the following sources: \$112,000 from Stadium event revenue and \$38,000 from the QUALCOMM Stadium Fund balance.
  - i. Amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to increase appropriations of contributing funds from appropriate available sources for any additional, unforeseen needs and to make any additional appropriation adjustments and fund transfers that may be necessary to reconcile revenues to expenditures, not to exceed two percent of each department's adopted budget or \$2.0 million, whichever is greater, above and beyond the aforementioned increases.

- j. Authorize the City Auditor and Comptroller to carryover Council Districts 1 through 8 available budget of approximately \$687,000 to the respective Infrastructure Improvement Fund.
- k. Amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to increase appropriations of, and transfer funds related to, the Infrastructure Improvement Fund and to establish capital improvement projects, in an amount not to exceed \$100,000 for purposes identified by the individual Council Districts.
- l. Authorize the City Auditor and Comptroller to carryover Park and Recreation Department available budget in an amount not to exceed \$1,035,000 to the Allocated Reserve to fund projects identified in this report that will not be completed in the current fiscal year.
- m. Authorize the City Auditor and Comptroller to add project 21-872.0; Palisades Building ADA Ramp, to the Fiscal Year 2007 Capital Improvements Program (CIP), transfer \$70,000 from fund 100 (Park and Recreation Department) to fund 630221 (General Fund contributions to the CIP), increase the Fiscal Year 2007 CIP budget by \$70,000 in project 21-872.0 and fund 630221, and appropriate and expend the \$70,000 from project 21-872.0.

**EXECUTIVE SUMMARY SHEET**

CITY OF SAN DIEGO

DATE ISSUED:	June 1, 2007	REPORT NO:	07-105
ATTENTION:	City Council		
ORIGINATING DEPARTMENT:	Financial Management		
SUBJECT:	Fiscal Year 2007 Mid-Year Budget Adjustments		
COUNCIL DISTRICT(S):	N/A		
CONTACT/PHONE NUMBER:	Mary Lewis, Financial Management Director, (619) 235-5880		

**REQUESTED ACTION:** Accept the Report from the Mayor on Fiscal Year 2007 Year-End Budget Adjustments, 07-105, and authorize the City Auditor and Comptroller to complete the financial transactions outlined in the report.

**STAFF RECOMMENDATION:** Approve the requested actions.

**EXECUTIVE SUMMARY:** This report discusses the fiscal status of City departments requiring budget adjustments and requests the City Council to authorize the City Auditor and Comptroller to balance each department and fund as necessary. The report summarizes the projected year-end revenues and expenditures for the General Fund, projects the status of General Fund reserves and discusses the requested budget adjustments in each affected department. In addition, the report seeks authorization to carryover certain fiscal year 2007 budget.

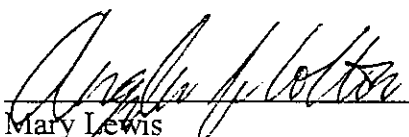
**FISCAL CONSIDERATIONS:**

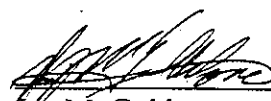
- General Fund expenditure appropriations will increase by approximately \$4.9 million, the revised revenue budget will increase by approximately \$1.7 million and the balance of \$3.2 million will be funded from the General Fund unallocated reserve.
- Mission Bay Improvement Fund and Regional Park Improvement Fund revenue and expenditure appropriations will increase by approximately \$850,000 each.
- Central Stores Internal Service Fund revenue and expenditure appropriations will increase by approximately \$600,000.
- Equipment Operating Fund expenditure appropriations will increase by approximately \$1.9 million to be funded by a transfer from the Equipment Replacement Fund.
- QUALCOMM Stadium expenditure appropriations will increase by approximately \$150,000, the revenue budget will increase by \$112,000 and the balance of \$38,000 will be funded from the QUALCOMM Stadium Fund balance.
- The General Fund will carryover approximately \$687,000 to the Infrastructure Improvement Fund, \$1,035,000 to the allocated reserve for Park and Recreation projects, and \$70,000 to the Capital Improvements Program.

**PREVIOUS COUNCIL and/or COMMITTEE ACTION:** This report will be presented to the Budget and Finance Committee on June 6, 2007.

**COMMUNITY PARTICIPATION AND PUBLIC OUTREACH EFFORTS:** None.

**KEY STAKEHOLDERS AND PROJECTED IMPACTS:** None.

  
Mary Lewis  
Financial Management Director

  
Jay M. Goldstone  
Chief Financial Officer

## CERTIFICATE OF CITY AUDITOR AND COMPTROLLER

## CERTIFICATE OF UNALLOTTED BALANCE

AC 2700810

ORIGINATING

DEPT. NO.:

055

I HEREBY CERTIFY that the money required for the allotment of funds for the purpose set forth in the foregoing resolution is available in the Treasury, or is anticipated to come into the Treasury, and is otherwise unallotted.

Amount: \$3,238,000.00

Purpose: To authorize the increase in appropriations from fund balance as detailed in the FY07 Year-End Budget Adjustment Report.

Date: June 6, 2007

By: [Signature]  
AUDITOR AND COMPTROLLER'S DEPARTMENT

ACCOUNTING DATA										
ACCTG. LINE	CY PY	FUND	DEPT	ORG.	ACCOUNT	JOB ORDER	OPERATION ACCOUNT	BENF/ EQUIP	FACILITY	AMOUNT
001	0	100			9544					\$3,200,000.00
002	0	10330			9544					38,000.00
TOTAL AMOUNT										

FUND OVERRIDE ☐

## CERTIFICATION OF UNENCUMBERED BALANCE

I HEREBY CERTIFY that the indebtedness and obligation to be incurred by the contract or agreement authorized by the hereto attached resolution, can be incurred without the violation of any of the provisions of the Charter of the City of San Diego; and I do hereby further certify, in conformity with the requirements of the Charter of the City of San Diego, that sufficient moneys have been appropriated for the purpose of said contract, that sufficient moneys to meet the obligations of said contract are actually in the Treasury, or are anticipated to come into the Treasury, to the credit of the appropriation from which the same are to be drawn; and that the said money now actually in the Treasury, together with the moneys anticipated to come into the Treasury, to the credit of said appropriation, are otherwise unencumbered.

Not to Exceed: \_\_\_\_\_

Vendor: \_\_\_\_\_

Purpose: \_\_\_\_\_

Date: \_\_\_\_\_

By: \_\_\_\_\_  
AUDITOR AND COMPTROLLER'S DEPARTMENT

[illegible]

ORDINANCE NUMBER O-\_\_\_\_\_ (NEW SERIES)

ADOPTED ON \_\_\_\_\_

AN ORDINANCE AMENDING ORDINANCE NO. O-19522 (NEW SERIES) ENTITLED "AN ORDINANCE ADOPTING THE ANNUAL BUDGET FOR THE FISCAL YEAR 2006-2007 AND APPROPRIATING THE NECESSARY MONEY TO OPERATE THE CITY OF SAN DIEGO FOR SAID FISCAL YEAR," TO MAKE FISCAL YEAR 2007 YEAR END BUDGET ADJUSTMENTS AND TO AUTHORIZE THE CITY AUDITOR AND CONTROLLER TO MAKE SUCH OTHER TRANSFERS AS NECESSARY TO BALANCE EACH DEPARTMENT AND FUND

WHEREAS, on June 7, 2006, the Mayor signed into law the City's budget for the Fiscal Year 2006-2007 [2007 Fiscal Year Budget]; and

WHEREAS, on July 31, 2006, the City Council adopted Ordinance No. O-19522 [Appropriation Ordinance] to provide for the appropriation and expenditure of funds for the Fiscal Year 2006-2007; and

WHEREAS, Section 71 of the City Charter requires the City to operate under a balanced budget, which, from time to time, requires adjustments to the Appropriation Ordinance; and

WHEREAS, on June 1, 2007 the Mayor delivered a report to the Council, No. 07-105, recommending certain year-end adjustments to the Fiscal Year 2007 Budget [Report], and requesting authorization for the Auditor and Comptroller to make such transfers in order to implement the recommendations made in the Report, including authorization to carryover certain Fiscal Year 2007 budget appropriations into Fiscal Year 2008 for certain projects that could not be completed during Fiscal Year 2007; and

WHEREAS, an amendment to the Annual Appropriation Ordinance is necessary in order to authorize the Auditor and Comptroller to make such transfers recommended in the Report;

NOW, THEREFORE,

BE IT ORDAINED, by the Council of the City of San Diego, as follows:

Section 1. That the Mayor's Report on the Fiscal Year 2007 year end budget adjustments is hereby accepted.

Section 2. That Ordinance No. O-19522 [New Series] entitled "entitled An Ordinance Adopting The Annual Budget For The Fiscal Year 2006-2007 And Appropriating The Necessary Money To Operate The City Of San Diego For Said Fiscal Year," be and the same is hereby amended and the City Auditor and Comptroller is authorized to complete the financial transactions listed below, as detailed in the Report:

- a. Amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to increase General Fund appropriations approximately \$4.9 million, as discussed in the Report, from the following sources: \$1.7 million from additional Mission Bay lease revenues and \$3.2 million from the General Fund unallocated reserve.
- b. Amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to transfer appropriations and related expenditures for administration fees paid to the County of San Diego for the collection and distribution of property tax from the City Auditor and Comptroller's Office to the Citywide Programs Department.
- c. Authorize the City Auditor and Comptroller to transfer appropriations between General Fund departments as necessary where the net transfer does not result in an increase to either department's current budget, provided, however, that the Auditor and Comptroller shall report all such adjustments to the City Council in the Auditor and Comptroller's year-end, period 13 report no later than September 30, 2007.
- d. Amend the Fiscal Year 2007 Appropriation Ordinance to authorize the City Auditor and Comptroller to transfer appropriations for costs avoided in one budget unit by an agreement to incur them in another budget unit, provided, however, that the Auditor and Comptroller shall report all such adjustments to the City Council in the Auditor and Comptroller's year-end, period 13 report no later than September 30, 2007.
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- j. Authorize the City Auditor and Comptroller to carryover Council Districts 1 through 8 available budget of approximately \$687,000 to the respective Infrastructure Improvement Fund.
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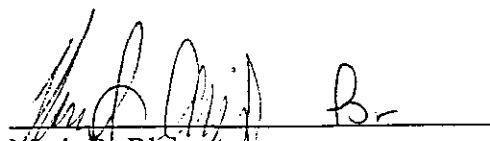
expend the \$70,000 from project 21-872.0.

Section 3. That a full reading of this ordinance is dispensed with prior to its final passage, a written or printed copy having been available to the City Council and the public a day prior to its final passage.

Section 4. That this ordinance shall take effect and be in force immediately upon its adoption after two public hearings, pursuant to the authority contained in San Diego Charter sections 16, 17 and 71.

APPROVED: MICHAEL J. AGUIRRE, City Attorney

By

  
Mark D. Blake  
Chief Deputy City Attorney

MDB:BCW:jdf

06/05/07

06/08/07

Aud.Cert: 2700810

Or.Dept:Fin.Mgmt

O-2007-159.COR.Copy